First Regular Session Seventy-first General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction

LLS NO. 17-0859.04 Brita Darling x2241

SENATE BILL 17-297

SENATE SPONSORSHIP

Lambert, Lundberg, Moreno

HOUSE SPONSORSHIP

Hamner, Young, Rankin

Senate Committees

House Committees

Appropriations

A BILL FOR AN ACT

101 CONCERNING REVISING HIGHER EDUCATION PERFORMANCE 102 REQUIREMENTS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

The bill repeals a performance-based funding plan for institutions of higher education (institutions) that was included in the master plan for Colorado postsecondary education. The performance-based funding plan was not implemented.

The bill repeals the statutory provision requiring performance contracts between the department of higher education (department) and SENATE 3rd Reading Unamended May 2, 2017

SENATE Amended 2nd Reading May 1, 2017 each institution, except for performance contracts with the Colorado school of mines and private institutions participating in the college opportunity fund program. Instead, the department and the public institutions shall affirm annually the institutions' contribution toward meeting master plan goals. The department shall report annually to legislative committees concerning the institutions' progress towards those goals using data collected for state and federal reporting and state funding purposes. The department shall post the information on its website. The bill makes conforming amendments relating to the repeal.

The bill repeals a provision that allowed the Colorado commission on higher education (commission) to waive any provision of article 1 of title 23, Colorado Revised Statutes, for a governing board with a performance contract. The bill replaces this with provisions that modify statutory sections that are currently waived or modified for all the state higher education governing boards as part of their performance contracts. Specifically, the bill:

- Removes the requirement that an institution submit a proposal to obtain approval from the commission to create, modify, or discontinue an academic or vocational program, so long as the programs offered are consistent with the institution's statutory role and mission;
- ! Amends provisions relating to commission master plan approval and approval of capital construction projects. Under certain circumstances, and with the commission's approval, an institution is not required to seek facility master plan approval or approval of capital construction projects.
- ! Amends provisions related to student fees to enable the commission to waive fee policies.

The bill makes other changes to commission responsibilities, including repealing an obsolete program for designating institutions' programs of excellence, allowing the commission to waive provisions relating to its oversight of graduate program duplication, requiring a report on student fees to continue indefinitely and to address student tuition, and modifying the commission's responsibilities related to the development of cooperative programs among state-supported institutions.

1 Be it enacted by the General Assembly of the State of Colorado:

2 SECTION 1. In Colorado Revised Statutes, amend 23-1-105.5

3 as follows:

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23-1-105.5. Duties and powers of the commission with respect

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1	to student fees - report on tuition and fees. (1) (a) The commission
2	shall adopt policies concerning the collection and use of student fees by
3	the governing boards of the state institutions of higher education, as
4	defined in section 23-5-119.5. The policies may address, but need not be
5	limited to, the purposes for student fees categories of student fees, the
6	distinctions between tuition revenue and student fee revenue, accounting
7	for student fee revenue, student fee fund balances, the minimum level of
8	student involvement in the processes for establishing, reviewing,
9	changing the amount of, and discontinuing student fees, and student fees
10	that apply to a student concurrently enrolled pursuant to article 35 of title
11	22. C.R.S. In preparing the policies, the commission shall seek input from
12	the governing boards, the state institutions of higher education, and the
13	student representative to the advisory committee created pursuant to
14	section 23-1-103 and representatives of the student governments at the
15	state institutions of higher education.
16	(b) The commission may waive the requirements of the

(b) THE COMMISSION MAY WAIVE THE REQUIREMENTS OF THE POLICIES ADOPTED PURSUANT TO THIS SUBSECTION (1).

- (2) (a) On or before January 15, 2012 2018, and on or before January 15 each year thereafter, the department shall report to THE JOINT BUDGET COMMITTEE AND the education committees of the house of representatives and the senate, or any successor committees, concerning the governing boards' fee policies, and the collection and use of student fees, AND TUITION RATES.
- (b) NOTWITHSTANDING THE PROVISIONS OF SECTION 24-1-136 (11)(a)(I) TO THE CONTRARY, THE REPORT REQUIRED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION CONTINUES INDEFINITELY.

SECTION 2. In Colorado Revised Statutes, 23-1-106, amend

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1	(/)(b); and add (14) and (15) as follows:
2	23-1-106. Duties and powers of the commission with respect
3	to capital construction and long-range planning - legislative
4	declaration - definitions. (7) (b) Except as provided in subsection (5)
5	SUBSECTIONS (5) AND (15) of this section, it is the policy of the general
6	assembly to appropriate funds only for capital construction or capital
7	renewal projects approved by the commission.
8	(14) WITH THE COMMISSION'S APPROVAL, BEGINNING JULY $1,2017$,
9	A STATE INSTITUTION OF HIGHER EDUCATION IS NOT SUBJECT TO FACILITY
10	MASTER PLAN APPROVAL DESCRIBED IN SUBSECTIONS (3) AND (4) OF THIS
11	SECTION, SO LONG AS THE GOVERNING BOARD OF THE INSTITUTION
12	APPROVES EACH PLAN, NOTIFIES THE COMMISSION OF ITS APPROVAL, AND
13	MAKES THE PLAN AVAILABLE TO THE COMMISSION. SUCH INSTITUTION IS
14	ALSO EXEMPT FROM THE PROVISIONS OF SUBSECTION (5) OF THIS SECTION
15	FOR A PROJECT THE COST OF WHICH DOES NOT EXCEED TWO MILLION
16	DOLLARS.
17	(15) WITH THE COMMISSION'S APPROVAL, BEGINNING JULY 1, 2017,
18	AND NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (7)(b) OF THIS
19	SECTION, A STATE INSTITUTION OF HIGHER EDUCATION IS NOT REQUIRED
20	TO SUBMIT PROJECTS FOR FACILITIES TO THE COMMISSION FOR APPROVAL
21	PURSUANT TO SUBSECTION (6)(b) OF THIS SECTION SO LONG AS THE
22	INSTITUTION ANNUALLY SUBMITS A REPORT TO THE CAPITAL
23	DEVELOPMENT COMMITTEE THAT IS SUBSTANTIALLY SIMILAR IN CONTENT
24	TO THE REPORT CONCERNING CAPITAL CONSTRUCTION PROJECTS
25	DESCRIBED IN SUBSECTION (6)(b) OF THIS SECTION.
26	SECTION 3. In Colorado Revised Statutes, 23-1-107, amend (1);
27	and add (3.5) as follows:

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23-1-107. Duties and powers of the commission with respect to program approval, review, reduction, and discontinuance. (1) (a) The commission shall define what constitutes an academic or career and technical education program and shall establish criteria or guidelines that define programs and procedures for approval of new programs A GOVERNING BOARD OF A STATE-SUPPORTED INSTITUTION OF HIGHER EDUCATION IS NOT REQUIRED TO SUBMIT A PROPOSAL TO OR OBTAIN APPROVAL FROM THE COMMISSION TO CREATE, MODIFY, OR DISCONTINUE ACADEMIC OR VOCATIONAL PROGRAMS OFFERED BY THE INSTITUTION, SO LONG AS THE CREATION, MODIFICATION, OR DISCONTINUANCE OF THE ACADEMIC OR VOCATIONAL PROGRAM IS CONSISTENT WITH THE INSTITUTION'S STATUTORY ROLE AND MISSION.

- (b) An institution of higher education shall submit a proposal for a new program to the department. Within a reasonable time after receipt of a proposal for a new program, the department shall review and, consistent with the institutional role and mission and the statewide goals specified in section 23-1-108 and further articulated in the master plan adopted pursuant to section 23-1-108, make recommendations to the commission for appropriate action on a proposal for a new program.
- (c) An institution of higher education shall not establish a new program without first notifying and receiving approval from the commission.
- (d) The provisions of this subsection (1) shall not apply to an institution of higher education for which there is a performance contract in effect with the commission as an exemplary institution of higher education pursuant to section 23-41-104.6 or an institution of higher education for which there is a performance contract in effect with the

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2 (3.5) THE COMMISSION MAY WAIVE THE PROVISIONS OF SUBSECTIONS (2) AND (3) OF THIS SECTION.

4 **SECTION 4.** In Colorado Revised Statutes, 23-1-108, **amend** 5 (1.5)(f), (1.7), and (3); and **add** (14) as follows:

23-1-108. Duties and powers of the commission with regard to systemwide planning - reporting. (1.5) (f) (I) (A) The commission, IN COLLABORATION WITH THE PUBLIC INSTITUTIONS OF HIGHER EDUCATION, shall ensure that the master plan is implemented through the performance contracts authorized pursuant to sections 23-5-129 and 23-41-104.6, by negotiating with the governing boards individualized goals and expectations for the public institutions of higher education, which goals and expectations support achievement of the statewide goals identified in paragraph (c) of this subsection (1.5) and in the master plan. The commission and the governing boards shall ensure that the institutions' renegotiated performance contracts are finalized no later than December 1, 2012 THE PUBLIC INSTITUTIONS OF HIGHER EDUCATION, INCLUDING THROUGH FUNDING ALLOCATED PURSUANT TO PART 3 OF ARTICLE 18 OF THIS TITLE 23 AND SECTION 23-41-104.6. THE DEPARTMENT SHALL SUBMIT A BUDGET REQUEST PURSUANT TO SECTION 23-18-307 THAT SUPPORTS MASTER PLAN GOALS.

(B) THE DEPARTMENT AND PUBLIC INSTITUTIONS OF HIGHER EDUCATION SHALL ANNUALLY AFFIRM THE INSTITUTIONS' CONTRIBUTION TOWARD MEETING THE GOALS OF THE COMMISSION'S MASTER PLAN CREATED PURSUANT TO THIS SECTION. AN INSTITUTION'S CONTRIBUTIONS TOWARD MEETING THE GOALS OF THE MASTER PLAN MUST BE OUTLINED IN ACCORDANCE WITH THE INSTITUTION'S ROLE AND MISSION AND SHALL

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1 INCLUDE, AT A MINIMUM, INCREASING CREDENTIAL COMPLETION,
2 INCREASING ANNUAL COMPLETIONS BY MINORITY AND LOW-INCOME
3 STUDENTS, AND IMPROVING PERSISTENCE AND RETENTION RATES. THE
4 DEPARTMENT SHALL MEASURE AN INSTITUTION'S CONTRIBUTIONS USING
5 DATA COLLECTED FOR STATE AND FEDERAL REPORTING PURPOSES AND FOR
6 POPULATING THE HIGHER EDUCATION FUNDING MODEL.

(II) In fulfilling the requirements of paragraph (c) of subsection (1) of this section, the commission shall refer to each institution's role and mission and service area, as necessary, to interpret jointly with the institution's governing board the implications of the role and mission and service area on the academic, financial, and student services elements of each institution's performance contract Beginning December 1, 2017, and no later than December 1 of each year thereafter, the department shall report to the joint budget committee and to the education committees of the house of representatives and of the senate, or their successor committees, concerning the master plan goals and each institution's progress toward meeting those goals. The department shall post the information contained in the report on the department's website. Notwithstanding the provisions of section 24-1-136 (11)(a)(I) to the contrary, the department's report continues indefinitely.

(1.7) The commission, working with the department, the governing boards, and the institutions of higher education, shall collect data, including but not limited to research conducted by national policy organizations and agencies or institutions of higher education in other states, as necessary to support development and implementation of the master plan pursuant to subsection (1.5) of this section. and to use in

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1	negotiating the performance contracts pursuant to sections 23-5-129 and
2	23-41-104.6. The commission shall take into consideration the costs to
3	the governing boards of collecting and reporting any data the commission
4	may request from the governing boards or the institutions of higher
5	education pursuant to this subsection (1.7).
6	(3) The commission, shall develop, after consultation with the
7	governing boards of institutions, MAY SUPPORT THE DEVELOPMENT OF
8	cooperative programs among state-supported institutions of higher
9	education.
10	(14) Pursuant to Section 23-18-201 (2), the commission
11	SHALL NEGOTIATE PERFORMANCE CONTRACTS WITH PRIVATE
12	INSTITUTIONS OF HIGHER EDUCATION THAT PARTICIPATE IN THE COLLEGE
13	OPPORTUNITY FUND PROGRAM.
14	SECTION 5. In Colorado Revised Statutes, repeal 23-1-108
15	(1.9).
16	SECTION 6. In Colorado Revised Statutes, 23-1-109.7, amend
17	(2) as follows:
18	23-1-109.7. Duties and powers of the commission with regard
19	to the provision of educational services. (2) Beginning July 1, 2005, the
20	commission is responsible for ensuring the provision of postsecondary
21	educational services pursuant to part 3 of article 18 of this title TITLE 23.
22	The department of higher education on behalf of the commission shall
23	annually enter into fee-for-service contracts with one or more governing
24	boards of institutions of higher education pursuant to section 23-18-303
25	to provide the higher education services specified in section 23-18-301.
26	The department of higher education may contract with a governing board
27	of an institution of higher education only to the extent that the contract

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1	remains consistent with any contract entered into pursuant to section
2	23-5-129 with the governing board.
3	SECTION 7. In Colorado Revised Statutes, 23-1-113.2, amend
4	(3) as follows:
5	23-1-113.2. Department directive - admission standards for
6	students holding international baccalaureate diplomas. (3) The
7	provisions of this section shall not apply to any institution of higher
8	education that has entered into a performance contract with the
9	commission as an exemplary institution of higher education THE
10	COLORADO SCHOOL OF MINES WHILE THE INSTITUTION IS OPERATING
11	UNDER A PERFORMANCE CONTRACT NEGOTIATED PURSUANT TO SECTION
12	23-41-104.6.
13	SECTION 8. In Colorado Revised Statutes, repeal 23-1-118.
14	SECTION 9. In Colorado Revised Statutes, 23-1-104, amend
15	(3)(a); and add (3.5) as follows:
16	23-1-104. Financing the system of postsecondary education -
17	report. (3) (a) Notwithstanding the provisions of section 24-75-102,
18	C.R.S., the governing boards are authorized to retain all moneys MONEY
19	appropriated pursuant to this section and section 23-1-118, or otherwise
20	generated from fiscal year to fiscal year.
21	(3.5) EACH GOVERNING BOARD SHALL REPORT TO THE COLORADO
22	COMMISSION ON HIGHER EDUCATION, USING APPROVED FORMS, THE
23	INSTITUTION'S PLANS FOR ANY TUITION OR OTHER PROPOSED INCREASES
24	FOR THE FOLLOWING FISCAL YEAR. THE COMMISSION SHALL REVIEW THE
25	PLANS AND MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY
26	DURING THE ANNUAL BUDGET PROCESS.
27	SECTION 10. In Colorado Revised Statutes, 23-2-103.8, amend

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1	(1)(a) as follows:
2	23-2-103.8. Financial integrity - surety. (1) A private college
3	or university is exempt from the provisions of this section if:
4	(a) The private college or university is a party to a performance
5	contract with the commission under section 23-5-129 PURSUANT TO
6	SECTION 23-18-201 (2); or
7	SECTION 11. In Colorado Revised Statutes, repeal 23-5-129.
8	SECTION 12. In Colorado Revised Statutes, 23-18-102, amend
9	the introductory portion and (8) as follows:
10	23-18-102. Definitions. As used in parts 1 and 2 of this article
11	ARTICLE 18, unless the context otherwise requires:
12	(8) "Participating private institution of higher education" means
13	a private institution of higher education that enters into a performance
14	contract with the department pursuant to section 23-5-129 SECTION
15	23-18-201 (2) and agrees to participate in the program.
16	SECTION 13. In Colorado Revised Statutes, 23-18-201, amend
17	(2) as follows:
18	23-18-201. College opportunity fund program - creation -
19	eligibility - guidelines. (2) A student of a private institution of higher
20	education shall be a beneficiary of the college opportunity fund and
21	eligible to participate in the college opportunity fund program only if the
22	private institution of higher education that the student attends has agreed
23	to participate in the program by establishing a performance contract with
24	the department. pursuant to section 23-5-129. THE PERFORMANCE
25	CONTRACT SHALL SPECIFY THE PERFORMANCE GOALS THE INSTITUTION
26	SHALL ACHIEVE DURING THE PERIOD THAT IT OPERATES UNDER THE
27	PERFORMANCE CONTRACT. The department shall include each

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participating private institution of higher education and its students who participate in the college opportunity fund program in the student unit reporting data system, in order to enable the students of the participating private institution of higher education to participate in the program. The participating private institution of higher education shall reimburse the department for the actual expenses associated with including the institution in the student unit reporting data system.

SECTION 14. In Colorado Revised Statutes, 23-18-202, **amend** (2)(e) and (5)(d)(I)(F) as follows:

23-18-202. College opportunity fund - appropriations - payment of stipends - reimbursement. (2) (e) An eligible undergraduate student who attends a participating private institution of higher education may receive financial assistance under this part 2 in the amount of fifty percent of the stipend amount. except that the amount of the stipend under this paragraph (e) may increase in proportion to the percent of unfunded enrollment growth that is appropriated to the governing boards pursuant to section 23-5-129 (8).

- (5) (d) (I) An eligible undergraduate student and an institution of higher education shall not receive the payment of a stipend on behalf of an eligible undergraduate student for:
- (F) Off-campus, extended campus, or continuing education classes that are not supported by state general fund moneys MONEY, except as approved by the commission, and, on or after July 1, 2007, except for classes or programs offered by an institution of higher education that has entered into a performance contract with the department pursuant to section 23-5-129, and that an eligible undergraduate student who is a member of the armed forces or a dependent of a member of the armed

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1	forces attends for credit on a military base; or
2	SECTION 15. In Colorado Revised Statutes, 23-18-304, amend
3	(2)(b) and (3)(b) as follows:
4	23-18-304. Funding for specialty education programs - area
5	technical colleges - local district junior colleges. (2) (b) After
6	considering the status of the performance contracts with the area technical
7	colleges pursuant to section 23-5-129, The commission may recommend
8	as part of its budget request that direct grants to area technical colleges
9	increase by a percentage that is greater than the percentage change in the
10	total state appropriation for the preceding state fiscal year or decrease by
11	a percentage that is less than the percentage change in the total state
12	appropriation for the applicable fiscal year from the total state
13	appropriation for the preceding state fiscal year.
14	(3) (b) After considering the status of the performance contracts
15	with Colorado mountain college and with Aims community college
16	pursuant to section 23-5-129, The commission may recommend as part
17	of its budget request for Colorado mountain college and Aims
18	COMMUNITY COLLEGE that the direct grant to either or both institutions
19	increase by a percentage that is greater than the percentage change in the
20	total state appropriation for the preceding state fiscal year or decrease by
21	a percentage that is less than the percentage change in the total state
22	appropriation for the applicable fiscal year from the total state
23	appropriation for the preceding state fiscal year.
24	SECTION 16. In Colorado Revised Statutes, repeal 23-18-305
25	(4).
26	SECTION 17. In Colorado Revised Statutes, 23-41-104.6,
27	amend (3) introductory portion as follows:

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1	23-41-104.6. Performance contract - authorization -
2	operations. (3) The board of trustees of the Colorado school of mines
3	shall negotiate AND SIGN a performance contract with the department of
4	higher education, subject to approval by the Colorado commission on
5	higher education, that shall specify SPECIFIES the performance goals that
6	the institution shall achieve during the period that it operates under the
7	performance contract. The specified goals shall MUST be measurable and
8	specific to the Colorado school of mines' role and mission and shall
9	include at a minimum, the goals negotiated for the institution pursuant to
10	$\frac{\text{sections } 23\text{-}1\text{-}108(1.5)(f)\text{and } 23\text{-}5\text{-}129}{\text{PROVISIONS RELATING TO MASTER}}$
11	PLAN GOALS and MAY ALSO INCLUDE, BUT NEED NOT BE LIMITED TO, the
12	following issues:
13	SECTION 18. In Colorado Revised Statutes, 23-60-211, amend
14	(4) as follows:
15	23-60-211. Degrees. (4) Notwithstanding the provisions of
16	section 23-5-129 (6) (b), Subject to the approval of the Colorado
17	commission on higher education pursuant to section 23-1-133, the board
18	may establish at community colleges within the state system technical,
19	career, and workforce development bachelor of applied science degree
20	programs. Nothing in this section shall be construed to allow for the
21	approval of bachelor of arts or bachelor of science degree programs.
22	SECTION 19. In Colorado Revised Statutes, 2-7-204, amend
23	(3)(a)(II)(A) as follows:
24	2-7-204. Performance management systems.
25	(3) (a) (II) (A) The department of higher education will satisfy the
26	requirements in this subsection (3) through the master plan for
27	postsecondary education that the Colorado commission on higher

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1	education maintains as described in section 23-1-108 (1.5). C.R.S., and
2	any performance contracts that the Colorado commission on higher
3	education negotiates and enters into with the governing boards of the state
4	institutions of higher education as specified in section 23-5-129, C.R.S.
5	The department of higher education shall ensure that copies of the master
6	plan and performance contracts be ARE submitted to the joint budget
7	committee and the appropriate joint committee of reference as determined
8	pursuant to section 2-7-203, and shall post the master plan and ANY
9	performance contracts AND REPORTS to its official website and the official
10	website of the office of state planning and budgeting.
11	SECTION 20. In Colorado Revised Statutes, 2-7-205, amend
12	(1)(a)(II) as follows:
13	2-7-205. Annual performance report. (1) (a) (II) The office of
14	state planning and budgeting shall prepare the section of the annual
15	performance report for the department of higher education by reviewing
16	the institutions of higher education's progress towards the goals set forth
17	in the institution of higher education's performance contract described in
18	section 23-5-129, C.R.S., and the outcomes of the recommended
19	performance funding plan required in section 23-1-108 (1.9)(b), C.R.S.
20	MASTER PLAN FOR COLORADO POSTSECONDARY EDUCATION, AS
21	DESCRIBED IN SECTION $23-1-108$ (1.5) AND TAKING INTO ACCOUNT THE
22	DATA AND METRICS DESCRIBED IN SECTIONS 23-18-201 (2) AND PART 3 OF
23	ARTICLE 18 OF TITLE 23.
24	SECTION 21. In Colorado Revised Statutes, 24-1-114, amend
25	(5)(b) as follows:
26	24-1-114. Department of higher education - creation.
27	(5) (b) With respect to the Colorado commission on higher education and

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1	the universities, colleges, and boards specified in subsection (4) of this
2	section, the executive director shall have HAS only those powers, duties,
3	and functions prescribed in article 1 of title 23; C.R.S.; except that the
4	executive director of the Colorado commission on higher education is
5	authorized to negotiate, implement, and monitor contracts, as described
6	in sections 23-5-129 and SECTIONS 23-18-201 (2), 23-18-303, 23-18-304,
7	AND 23-41-104.6, C.R.S., with universities, colleges, and boards, in
8	consultation with the Colorado commission on higher education.
9	SECTION 22. Safety clause. The general assembly hereby finds,
10	determines, and declares that this act is necessary for the immediate
11	preservation of the public peace, health, and safety.

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